#### AFTERMATH OF THE BERLIN RIOTING

**GENERAL** 

The outbreak of rioting in Berlin, with the subsequent chain reaction of violence throughout East Germany, confronts the Kremlin with a situation having serious ramifications extending far beyond the local scene. The new Soviet rulers find themselves in the grip of violent and fast moving events stemming from a miscalculation of the effects of the softer policy initiated by them after the death of Stalin. Although they appear to have reasserted control in East Germany over the past week-end, it has been at the cost of revealing to the world the military basis of their power as well as the weak-ness of the puppet East German government.

Moreover, these events will most certainly cause the new Soviet regime to review its entire present policy. Some of the German puppets, such as Ulbricht, will probably be made the scapegoats for the fiasco, and it is likely that its repercussions have reached the Kremlin itself. Moscow must also reckon

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with the possibility, that this unrest may spread eastward into the other Satellites. In view of the surprising scope of the violence in East Germany, this possibility may appear less tenuous to the Kremlin now than it would have without the hindsight based on the East German developments.

#### CURRENT EAST GERMAN DEVELOPMENTS

the riots with "an iron fist."

East German cities. The situation throughout the German Democratic Republic is still fraught with tension. There have been reports of continued unrest, but the overwhelming show of Soviet military strength has largely restored order at least on the surface as of 20 June. Twenty thousand Soviet troops were deployed in East Berlin alone. In addition, the Soviet Air Force (fund left)

in Germany was grounded, but alerted for action. The GDR

regime has broadcast warnings to the population against further disturbances. Mass arrests are reported to be in progress, and the regime has threatened to punish those responsible for

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The government has also announced a series of palliative economic measures to cope with the situation, but has made no political concessions. A 17 June proclamation of the Minister tolsenous h Mostiende of Trade and Supply stated that private shops would be returned to all former owners who wanted them and credits would be extended to private enterprise. On 19 June the regime promised that the output of consumer goods and food would be expanded at the expense of heavy industrial production. A subsequent announcement called off a scheduled increase in work norms and guaranteed the end of electric power cuts in workers' homes, increases in pension and social security benefits, low-price railroad tickets for workers, and improved housing and better sanitary conditions in factories.

No attempt is being made at mass punishment of the striking workers. All "honorable workers" who had participated in the riots at the instigation of "foreign provocateurs" were promised amnesty if they returned to their jobs. None of these concessions, however, weakens the base of Soviet power in East

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While all of these conciliatory measures have the effect of slowing up the "socialization" process in East Germany, they do not spell its end. A 21 June editorial in Neues Deutschland, official organ of the Socialist Unity Party, pointed out that improvements answering the "justified demands of the people" could only come about as more goods were produced. The workers were exhorted to increase production and fulfill the economic plans.

#### REACTION IN WEST GERMANY

West German reaction to the Berlin riots reveals that the grave threat to the Bonn coalition government posed by the Soviet conciliatory moves in East Germany has been largely nullified. The immediate West German response to the East German events has been a widespread demand for unification. The Grotewohl regime, however, is thoroughly discredited and any East German measures of conciliation would be looked upon as a sign of weakness. West German press opinion points to an in-

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Approved For Release 2001/03/17: CIA-RDP80R01443R000100240003-3 creased prestige for the Adenauer government as a result of

the riots.

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prospects for

unity have declined as a result of the East German blood bath. Chancellor Adenauer, has demanded before a special parliamentary session that unity be based on five conditions: free elections, the formation of an all-German government, the solution of all border problems, and the freedom of the all-German government to participate in alliances, as well as its freedom to participate in peace treaty negotiations. Adenauer has received wide popular acclaim for his stand. It is supported by the West Berlin SPD-dominated government, and by Erich Ollenhauer, chairman of the opposition Social Democratic party. While Ollenhauer wants the Allies to seize the initiative on four-power negotiations, the Chancellor still seeks to avoid four-power meetings prior to the September elections in West Germany.

It is unlikely that any responsible West German leader with the exception of West Berlin Mayor Reuter will have any Approved For Release 2001/03/47; CIA-RDP80R01443R000100240003-3

dealings with the leaders of the present East German regime.

Reuter has indicated that he will shortly initiate an offer to the Gemmunists for all-Berlin elections.

The urge for unity has been reawakened in West Germany, but it is conditioned on the question of free All-German elections. West Germany will not be swayed from the Adenauer government's policy of integration with the West by any lesser concession.

A vague Soviet offer to discuss unity, without specifying conditions, might nevertheless be favorably entertained by the West German populace, especially if the East German regime were re-constituted on an apparently more democratic basis and the conciliatory measures continued.

Should the USSR offer to discuss free internationallysupervised elections an Allied refusal to negotiate would alienate many West Germans. In any case, the whole issue will be
surveyed more dispassionately in West Germany after the September elections,

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RAMIFICATIONS IN THE OTHER SATELLITES

A spirit of unrest more vigorous than has been evidenced during recent years seems to be gripping the other satellites.

Besides the spectacular outburst in East Germany, Czechoslovakia and Rumania have been the scenes of significant increases in expressions of unrest and dissatisfaction. In Czechoslovakia the unrest resulted in widespread demonstrations in Prague, Pilzen and a number of other industrial cities between 1-5 June. In the remainder of the Satellites stirrings of unrest prevail but seem to have less focus.

The popular unrest is taking such varied forms as physical attacks on Communist officials, dissemination of anti-Communist leaflets, non-cooperation by the peasants and workers, open defiance by church leaders and escape to the West. Spectacular examples of the last technique are the escapes to Bornholm of Polish fliers on 5 March and 20 May, and the defection of the captain of the Polish ship Batory this week. These actions have not been inspired by organized indigenous resistance move-

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They are rather the spontaneous reactions of people long under the Communist yoke - yet who refuse to bow to it.

News of the riots in East Germany spread rapidly throughout the Satellites, but has not been accompanied by popular demonstrations or increased security measures. US observers report that the Czech population has manifested a guilty reaction over having failed to demonstrate as courageously against the monetary reform as the East Germans did against their government. The Rumanians reportedly expressed admiration for the East German exploits and regretted that their people lack the spirit However, the East German disorders will for such a demonstration. undoubtedly add to the mood of restlessness among the Satellite peoples.

The continuation of the already oppressive controls in the Satellites, would probably not cause any serious outbreaks of resistance. This process has been going on for several years and has produced only local, spontaneous, and easily suppressed re-There is no known organized anti-Communist leadership sistance. Approved For Release 2001/03/17: CIA-RDP80R01443R000100240003-3

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in any of the Satellites capable of staging and directing a nationwide, coordinated demonstration or uprising. Furthermore, each of the Satellite governments, in contrast to East Germany, has relatively reliable security troops disposed throughout the country to handle any uprising or demonstrations. Under these conditions the Satellite peoples are not as capable of creating such serious and widespread demonstrations as those which have occurred in East Germany. Nevertheless, the unrest prevailing in Eastern Europe which will undoubtedly be given added impetus by the East German disorders could lead to spontaneous outbursts and demonstrations.

### SOVIET REACTION TO EAST GERMAN RIOTS

To gauge the most probable effects of the violence in

East Germany on Kremlin policies we must examine the apparent

objectives of the Soviet program of relaxation which immediately

preceded the rioting.

Moscow's conciliatory measures in East Germany seemed to be designed primarily to alleviate conditions which were making

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without sacrificing the basic elements of Soviet control. The
previous harsh policy foreshadowed unpleasant alternatives:
either political and economic disaster, or the use of force to
a degree undesirable to the Kremlin because of its adverse effect on the Communist strategy for Germany. The timing of the
conciliatory gestures suggests that they had a secondary purpose of fanning unity sentiment in Western Germany, thus assisting the Kremlin's campaign to halt West German integration.

These two basic objectives are likely to remain unaltered by the rioting. The necessity to use military force in order to maintain Soviet control in the face of the totally unexpected East German flare up constitutes a serious setback to the "peace" campaign. Nevertheless, the Kremlin is likely to consider that its objectives in Germany can still best be attained by relaxing the mailed fist gradually as the disorders die down, while continuing its conciliatory tactics based primarily on economic reforms.

Moscow cannot meet the political demands of the East GerApproved For Retease 2001/03/17:t6:A-REDP80R04/43R0001,00240000-3e

is no indication that it intends to do this. It may be compelled therefore, to continue to employ force for a prolonged period, to the detriment of its over-all program in Europe.

Soviet maneuverability with respect to Germany has probably declined as a result of its naked display of strength. Its propaganda position, based on fantastic charges of US responsibility for the riots, has been unusually weak. The Kremlin may be expected, however, to attempt to capitalize on the unity sentiment generated in West Germany by the East zone incidents.

Non-communist personalities such as Hermann Kastner of the Liberal Democratic party, may be given an increasingly prominent role in the East German puppet regime, in order to give additional impetus to the unity theme and to placate the populace.

The East German situation confronts the Kremlin with a dilemma which has no ready solution and may increase in magnitude. A Soviet policy of conciliation following the riots in Germany is likely to be interpreted in Eastern Europe as a symptom of weakness. The new Kremlin regime, lacking a leader

with the prestige and experience of Stalin, would seem particularly sensitive to such a possibility. Moscow therefore, might well fear that the other satellite peoples would conclude that rebellion would pay off for them too, and act accordingly. There has been no indication of a Kremlin intention to apply the conciliatory tactics noted in East Germany elsewhere in the satellites. The unexpected turn of events in Germany, moreover, is certain to impress on Soviet leadership the dangers inherent in a program of relaxation in a satellite state.

On the other hand, severe repressive measures in East Germany and a withdrawal of concessions already granted would (1) heighten German discontent; (2) destroy the propaganda effect of the original measures and (3) seriously weaken the Soviet "peace offensive" on one of its most spotlighted stages.

Present indications are that the Kremlin will continue to make conciliatory economic moves in East Germany without granting political concessions which would seriously jeopardize its own position there. Force will be used where necessary to main-

tain order, but will be relaxed as rapidly as would be consistent with this objective. Moscow will aim, through popular economic reforms to placate the people, and to restore their confidence in the regime. The latter will probably be reshuffled and broadened to include groups subservient to the communists, but with a greater popular appeal. Unity appeals will be voiced and reinforced in proportion to the restoration of stability.

They may be supported by a Soviet offer for four-power discussions of the problem. The Kremlin's maneuverability with regard to East-West negotiations, however, has received a serious setback from the East German developments.